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SUBJECT: CODEL DURBIN FOCUSES ON CYPRUS IN MEETING WITH  
GREEK PM KARAMANLIS

¶1. (SBU) SUMMARY: In their February 18 meeting with PM Karamanlis, Senator Durbin and Illinois state treasurer Giannoulas focused primarily on how to achieve progress on Cyprus this year. PM Karamanlis noted improvement in Greek-Turkish relations in many areas, but not on "heavy political issues" like Cyprus. Senator Durbin and PM Karamanlis agreed that this was a year of opportunity on Cyprus, with leaders of both communities committed to finding a solution. Karamanlis questioned whether some EU countries might "hide behind Cyprus" in opposing further enlargement if the issue remained unresolved. Asked about his domestic priorities, Karamanlis focused on response to the global economic crisis. He asked the delegation to support extension of the Visa Waiver Program to Greece, and detailed efforts to resolve the name issue with Skopje, given Greece's support for NATO enlargement. Senator Durbin noted that, should Chicago win its bid to host the 2016 Olympics, it would turn to Greece for advice from its successful experience in 2004. END SUMMARY.

GREEK-TURKISH RELATIONS . . .

¶2. (SBU) PM Karamanlis welcomed the CODEL as the "first delegation to Greece during the Obama administration." Senator Durbin stressed that the U.S. relationship with Greece was strong -- and would become even stronger as we worked together on issues of concern (including a Cyprus solution). PM Karamanlis noted that Greece's relationship with Turkey was complex, but Cyprus overshadowed it all. Karamanlis had been trying to find a breakthrough in relations with Turkey, establishing good relations with PM Erdogan (including through a visit to Ankara, the first for a Greek PM in fifty years). However, while he and Erdogan had made progress in some areas (gas pipeline, business investment, banking), the "heavy political issues" remained.

¶3. (SBU) Karamanlis believed that the Turkish military, which saw itself as the guarantor of a secular state, also thwarted Turkey's democratic development and ability to maneuver in foreign affairs. Cyprus was an example: while he and PM Erdogan had discussed how to help the two communities, Karamanlis believed that the "deep state" was reluctant to change the status quo. He questioned whether Turkey's civilian government had the ability to form its own agenda and policy.

¶4. (SBU) Senator Durbin asked Karamanlis whether Turkey still wanted to enter the EU. Karamanlis replied that "nominally, they do" -- but if Turkey fully applied EU standards, the military would lose much of its weight and economic influence. So he questioned the Turkish military's commitment to EU entry. Karamanlis speculated whether Erdogan had struck a secret compromise with the military to allow AKP to govern.

. . . AND THEIR IMPACT ON A CYPRUS SETTLEMENT

15. (SBU) Senator Durbin noted the importance of EU accession for a Cyprus solution. This was a year of opportunity: the leaders of both communities wanted to find a solution, and the EU's consideration of Turkish accession at the end of the year would be simplified if Cyprus was resolved. In addition, Turkish-Cypriot leader Talat would face elections in 2010. PM Karamanlis expressed the strong belief that, if the Cypriots were left alone, they would find a solution. Both communities knew that a unified island would benefit everyone, and that the division was artificial -- though it would be tricky to find the checks and balances needed to construct a federal state. The biggest question was whether Turkish-Cypriot leader Talat would be "left alone" or whether his room to maneuver would be limited by Ankara. Senator Durbin noted that Talat had told the delegation Turkey had the power to stop the negotiations -- but had let them continue, with no restrictions.

16. (SBU) Karamanlis emphasized that his administration supports Turkey's EU accession. But some other EU countries, faced with economic crisis and believing the EU was "overextended," were more skeptical. They may "hide behind Cyprus" when the EU faces key decisions. Senator Durbin asked Karamanlis what the U.S. could do to help, though a solution was an issue for the people of Cyprus, not external forces. Karamanlis suggested that the U.S. send the "right message" to Turkey, but "not necessarily formally." Public statements sometimes left political leaders with less room for maneuver. But it was important that Turkey be reminded frequently that a Cyprus solution was in their own interest.

GREEK DOMESTIC PRIORITIES: FINANCIAL CRISIS, VWP, FYROM

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17. (SBU) Illinois State Treasurer Giannoulis asked Karamanlis about his domestic priorities, and how the U.S. could help. Karamanlis expressed concern over the impact of the global financial crisis, particularly given Greece's "traditionally high" level of public debt. It was essential to convince people that the government was on top of the issue and would find a way out. Fortunately, Greece's growth rate over the past five years had been good. But no country could go it alone; global cooperation was key.

18. (SBU) Karamanlis pressed for extension of the Visa Waiver Program to Greece. Ambassador Speckhard noted that while two of the three agreements needed to move forward were nearly complete, we were still awaiting a response from Greece on data sharing (the PCSC). Karamanlis also explained Greek concerns regarding its dealings with Skopje over the name issue (including reference to Skopje's recent decision to name a portion of "Corridor X" the "Alexander the Great Highway"). Karamanlis stressed that it was essential to find a compromise on a composite name, so that the issue would not be an obstacle in the future. Senator Durbin agreed, expressing his support for a resolution. Finally, Senator Durbin pointed out that Chicago was among the candidates to host the 2016 Olympics; Mayor Daley had already visited Athens to learn from their experience. Should Chicago be chosen, Senator Durbin noted that we would look to Athens for additional advice.

19. (U) CODEL Durbin cleared this cable.

SPECKHARD